

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 542  
Committee Substitute Favorable 4/26/23  
Senate Judiciary Committee Substitute Adopted 6/27/23  
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Short Title: HOA Revisions/Foreclosure Trustee Auctions.

(Public)

Sponsors:

Referred to:

April 3, 2023

A BILL TO BE ENTITLED

AN ACT TO AMEND LAWS GOVERNING THE CREATION AND ENFORCEMENT OF LIENS SECURING AMOUNTS OWED TO UNIT OWNERS' ASSOCIATIONS AND HOMEOWNERS' ASSOCIATIONS, TO STRENGTHEN REQUIRED NOTICE OF DELINQUENT ASSESSMENTS GIVEN BY ASSOCIATIONS TO APPRISE OWNERS OF THE DELINQUENCY AND POTENTIAL FILING OF A CLAIM OF LIEN, TO REQUIRE ALL FINES COLLECTED BY AN ASSOCIATION TO BE REMITTED TO THE CIVIL FINES AND FORFEITURES FUND, TO EXPAND OWNERS' ACCESS TO HOA RECORDS, TO PROHIBIT ASSOCIATIONS FROM COMPENSATING A MANAGING AGENT BASED ON THE AMOUNT OF FINES COLLECTED, TO PROHIBIT ASSOCIATION REGULATION OF PARKING ON PUBLIC STREETS OR ROADS, TO PROHIBIT ASSOCIATION ENFORCEMENT OF RESTRICTIONS ON CERTAIN LESSONS GIVEN ON THE OWNER'S PROPERTY TO A GROUP OF FIVE OR FEWER PERSONS, TO ALLOW CERTIFIED COPIES OF COURT-FILED DOCUMENTS TO BE RECORDED WITHOUT MEETING CERTAIN CONFORMING REQUIREMENTS OF THE REGISTER OF DEEDS, TO ALLOW FOR CERTAIN FORECLOSURE SALES TO BE CONDUCTED AT DESIGNATED PUBLIC LOCATIONS, TO EXPAND THE TIME ALLOWED FOR A SCHEDULED FORECLOSURE SALE TO COMMENCE, AND TO ESTABLISH A PROCEDURE FOR REMOTE BIDDING AT A FORECLOSURE SALE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 47C-3-102(a) reads as rewritten:

"§ 47C-3-102. Powers of unit owners' association.

(a) Unless the declaration expressly provides to the contrary, the association, even if unincorporated, may do all of the following:

...

(3) Hire and terminate managing agents and other employees, agents, and independent contractors. A contract between an association and a managing agent shall not have a term exceeding one year and shall not contain an automatic renewal provision that requires the association to give notice of nonrenewal more than 30 days prior to the contract's anniversary date. Any contract with a managing agent that is automatically renewed shall be terminable by the association for any reason upon 60 days' notice. A managing agent shall not be compensated in whole or in part based on the amount of



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1 fines collected by the managing agent on behalf of the association and shall  
2 not collect from the association or a unit owner any fee in connection with its  
3 collection of a fine imposed by the association.

4 ...

5 (6) Regulate the use, maintenance, repair, replacement, and modification of  
6 common elements-elements; provided, however, that in the absence of an  
7 express authorization in the declaration, an association shall not enforce any  
8 restriction on parking of a personal vehicle on a public street or public road  
9 for which the North Carolina Department of Transportation or local  
10 government has assumed responsibility for maintenance and repairs, unless  
11 the authority to regulate such parking has been expressly delegated to the  
12 association by the Department of Transportation or local government under  
13 terms prescribing the manner in which the association may exercise that  
14 authority. Any such delegation shall be valid for a period not to exceed five  
15 years, at which time the association must reapply to the delegating entity. As  
16 used in this subdivision, "personal vehicle" means an automobile with a gross  
17 weight of less than 26,001 pounds that is used for personal pleasure, travel, or  
18 commuting to and from a place of work, and does not include a motor home  
19 or self-propelled recreational vehicle, or an automobile that is otherwise used  
20 primarily in connection with any commercial endeavor or business.

21 ...

22 (11) Impose charges for late payment of assessments, not to exceed the greater of  
23 twenty dollars (\$20.00) per month or ten percent (10%) of any assessment  
24 installment unpaid and, after notice and an opportunity to be heard, suspend  
25 privileges or services provided by the association (except rights of access to  
26 lots) during any period that assessments or other amounts due and owing to  
27 the association remain unpaid for a period of 30 days or longer, and levy  
28 reasonable fines not to exceed one hundred dollars  
29 (\$100.00)(G.S. 47C-3-107.1) for violations of the declaration, bylaws, and  
30 rules and regulations of the association. No fine shall be levied for violation  
31 of a provision restricting or prohibiting tutoring, educational lessons,  
32 academic lessons, music lessons, or swimming lessons provided in the owner's  
33 unit to a group of no more than five people at any one time, regardless of  
34 whether compensation is received for such lessons.

35 ...

36 (12a) Impose reasonable-charges in connection with the preparation of a lender's  
37 questionnaire or certification or ~~statements~~-a statement of unpaid assessments,  
38 which must be furnished within 10 ~~business~~-days after receipt of the request,  
39 in an amount not to exceed two hundred dollars (\$200.00) per ~~statement or~~  
40 ~~request, item requested,~~ and an additional ~~expedite~~-expedited fee in an amount  
41 not to exceed one hundred dollars (\$100.00) if the item is requested to be  
42 furnished less than 10 days after request is made within 48 hours of closing,  
43 ~~all of which~~ receipt of the request. These charges may be collected by the  
44 association, its managers, or its agents. Any charge for preparation of a  
45 lender's questionnaire or certification shall be paid by the requesting party.  
46 Neither the association nor its managing agent shall impose any charge upon  
47 a unit owner or a prospective purchaser of a unit in connection with the  
48 conveyance of a unit unless the charge is authorized in this subdivision.  
49 Violation of this subdivision by an association or by its managing agent shall  
50 constitute an unfair and deceptive trade practice under G.S. 75-1.1.

1           (12b) Impose a reasonable charge for providing copies of records requested by a  
 2           member, not to exceed the actual cost of photocopying the records.

3           ...

4           (14a) Exercise any authority granted to it under the declaration to approve or  
 5           disapprove any proposed changes to a unit or limited common element. In  
 6           exercising such authority, the association shall provide a fair, reasonable, and  
 7           expeditious procedure for making its decision, which procedure shall be set  
 8           forth in the association's governing documents. The procedures shall state the  
 9           maximum time for issuance of any decision on a proposal or a request for  
 10           reconsideration. At a minimum, a decision shall be made within 90 days after  
 11           the initial submission of the proposal or submission of any additional  
 12           information or changes to the proposal requested by the association in  
 13           response to the initial submission. A decision shall be in writing, shall be made  
 14           in good faith, and may not be unreasonable, arbitrary, or capricious. If the  
 15           proposal is disapproved, the decision shall include both an explanation of why  
 16           the proposal is disapproved and a description of the procedure for  
 17           reconsideration of the decision by the executive board.

18           ...."

19           **SECTION 2.** G.S. 47C-3-107.1 reads as rewritten:

20           **"§ 47C-3-107.1. Procedures for fines and suspension of condominium privileges or services.**

21           Unless a specific procedure for the imposition of fines or suspension of condominium  
 22           privileges or services is provided for in the declaration, a hearing shall be held before the  
 23           executive board or an adjudicatory panel appointed by the executive board to determine if any  
 24           unit owner should be fined or if condominium privileges or services should be suspended  
 25           pursuant to the powers granted to the association in G.S. 47C-3-102(11). Any adjudicatory panel  
 26           appointed by the executive board shall be composed of members of the association who are not  
 27           officers of the association or members of the executive board. The unit owner charged shall be  
 28           given notice of the charge, opportunity to be heard and to present evidence, and notice of the  
 29           decision. A written notice of hearing shall be sent to the unit owner as provided in  
 30           G.S. 47C-3-116(e) not less than 10 days prior to the scheduled hearing date. The notice of hearing  
 31           shall specify the date, time, and place of the hearing and shall include a general description of  
 32           each alleged violation and the action, if any, to cure each alleged violation. The unit owner shall  
 33           be given an opportunity to be heard and to present evidence at the hearing. A written notice of  
 34           the decision specifying each violation verified by the evidence and the action, if any, to cure each  
 35           verified violation shall be sent to the unit owner as provided in G.S. 47C-3-116(e). If it is decided  
 36           that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed  
 37           for the violation and without further hearing, for each day more than five days after the decision  
 38           that the violation ~~occurs~~ occurs, up to a maximum fine of two thousand five hundred dollars  
 39           (\$2,500). Such fines shall be assessments secured by liens under G.S. 47C-3-116. If it is decided  
 40           that a suspension of condominium privileges or services should be imposed, the suspension may  
 41           be continued without further hearing until the violation or delinquency is cured. A unit owner  
 42           may appeal a decision of an adjudicatory panel to the full executive board by delivering written  
 43           notice of appeal to the executive board within 15 days after the date of the decision. The executive  
 44           board may affirm, vacate, or modify the prior decision of the adjudicatory body. All fines  
 45           collected pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund."

46           **SECTION 3.** G.S. 47C-3-116 reads as rewritten:

47           **"§ 47C-3-116. Lien for sums due the association; enforcement.**

48           (a) Any assessment attributable to a unit which remains unpaid for a period of 30 days  
 49           or longer shall constitute a lien on that unit when a claim of lien is filed of record in the office of  
 50           the clerk of superior court of the county in which the unit is located in the manner provided in  
 51           this section. A claim of lien securing a debt consisting of fines or fine-related charges shall be

1 filed separately from a claim of lien securing other sums owed to the association and shall be  
2 filed within 90 days after the date the fine was imposed. As used in this section, "fines or  
3 fine-related charges" means fines imposed by the association, interest on unpaid fines, or  
4 attorneys' fees incurred by the association related to fines imposed by the association. Once filed,  
5 a claim of lien secures all sums due the association through the date filed and any sums due to  
6 the association thereafter. Unless the declaration provides otherwise, fees, charges, late charges  
7 and other charges imposed pursuant to G.S. 47C-3-102, 47C-3-107, 47C-3-107.1, and 47C-3-115  
8 are subject to the ~~claim~~ claims of lien provided for under this section as well as any other sums  
9 due and payable to the association under the declaration, the provisions of this Chapter, or as the  
10 result of an arbitration, mediation, or judicial decision.

11 (b) The association must provide proper notice of delinquent assessments to the unit  
12 owner before filing a claim of lien. The association must make reasonable and diligent efforts  
13 ensure that its records contain the unit owner's current physical mailing address, ~~address and~~  
14 current electronic mailing address. No fewer than 15 days prior to filing the lien, the association  
15 shall ~~mail~~ do all of the following:

16 (1) Mail a statement of the assessment amount due by first class mail to the  
17 physical address of the unit and the unit owner's address of record with the  
18 association and, if different, to the address for the unit owner shown on the  
19 county tax records for the unit. If the unit owner is a corporation or limited  
20 liability company, the statement shall also be sent by first class mail to the  
21 mailing address of the registered agent for the corporation or limited liability  
22 company. Notwithstanding anything to the contrary in this Chapter, the  
23 association is not required to mail a statement to an address known to be a  
24 vacant unit or to a unit for which there is no United States postal address.

25 (2) Send a statement of the assessment amount due via electronic mail if the  
26 owner has designated an email address as provided in G.S. 55A-1-70(b).

27 (c) A claim of lien shall set forth the name and address of the association, the name of  
28 the record owner of the unit at the time the claim of lien is filed, a description of the unit, and the  
29 amount of the lien claimed. A claim of lien may also appoint a trustee to conduct a foreclosure  
30 as provided in subsection (f) of this section. The first page of the claim of lien shall contain the  
31 following statement in print that is in boldface, capital letters, and no smaller than the largest  
32 print used elsewhere in the document:

33 "THIS DOCUMENT CONSTITUTES A LIEN AGAINST YOUR PROPERTY, AND IF THE  
34 LIEN IS NOT PAID, THE HOMEOWNERS ASSOCIATION MAY PROCEED WITH  
35 ~~FORECLOSURE ENFORCEMENT AGAINST YOU AND YOUR PROPERTY IN LIKE~~  
36 ~~MANNER AS A MORTGAGE AS PERMITTED UNDER NORTH CAROLINA LAW."~~

37 The person signing the claim of lien on behalf of the association shall attach to and file with  
38 the claim of lien a certificate of service attesting to the attempt of service on the record owner,  
39 which service shall be attempted in accordance with G.S. 1A-1, Rule 4(j), for service of a copy  
40 of a summons and a complaint. If the actual service is not achieved, the person signing the claim  
41 of lien on behalf of the association shall be deemed to have met the requirements of this  
42 subsection if service has been attempted pursuant to both of the following: (i) G.S. 1A-1, Rule  
43 4(j)(1)c, d, or e and (ii) by mailing a copy of the lien by regular, first class mail, postage prepaid  
44 to the physical address of the unit and the unit owner's address of record with the association,  
45 and, if different, to the address for the unit owner shown on the county tax records and the county  
46 real property records for the unit. The association shall also send the owner a copy of the claim  
47 of lien and certificate of service by email if the owner has designated an email address as provided  
48 in G.S. 55A-1-70(b). In the event that the owner of record is not a natural person, and actual  
49 service is not achieved, the person signing the claim of lien on behalf of the association shall be  
50 deemed to have met the requirements of this subsection if service has been attempted once  
51 pursuant to the applicable provisions of G.S. 1A-1, Rule 4(j)(3) through G.S. 1A-1, Rule 4(j)(9).

1 Notwithstanding anything to the contrary in this Chapter, the association is not required to mail  
2 a claim of lien to an address which is known to be a vacant unit or to a unit for which there is no  
3 United States postal address. A lien for unpaid assessments is extinguished unless proceedings  
4 to enforce the lien are instituted within three years after the filing of the claim of lien in the office  
5 of the clerk of superior court. A lien securing a debt consisting of fines or fine-related charges is  
6 extinguished unless proceedings to enforce the lien are instituted within one year after the filing  
7 of the claim of lien in the office of the clerk of superior court.

8 (d) A claim of lien filed under this section is prior to all liens and encumbrances on a unit  
9 except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed  
10 of trust on the unit, recorded before the filing of the claim of lien in the office of the clerk of  
11 superior court and (ii) liens for real estate taxes and other governmental assessments and charges  
12 against the unit. This subsection does not affect the priority of mechanics' or materialmen's liens.

13 (e) Attorneys' fees. –

14 (1) The association shall be entitled to recover the reasonable attorneys' fees and  
15 costs it incurs in connection with the collection of any sums ~~due~~ due, except  
16 as otherwise provided in subdivision (2) of this subsection.

17 (2) In an action to enforce a claim of lien securing a debt consisting of fines or  
18 fine-related charges, upon findings by the court (i) that there was an  
19 unwarranted refusal by the unit owner to negotiate or pay the fines or  
20 fine-related charges and (ii) that the amount of damages recovered exceeded  
21 the highest offer made by the unit owner no later than 90 days before the  
22 commencement of trial, the presiding judge may, in the judge's discretion,  
23 allow reasonable attorneys' fees to the duly licensed attorneys representing the  
24 association obtaining a judgment for damages in said suit, in an amount not to  
25 exceed ten thousand dollars (\$10,000) or fifteen percent (15%) of the amount  
26 recovered, whichever is greater, said attorneys' fees to be taxed as a part of the  
27 court costs. When making an award of attorneys' fees under this subdivision,  
28 the judge shall issue a written order including findings of fact detailing the  
29 factual basis for the finding of an unwarranted refusal to negotiate or pay the  
30 debt secured by the claim of lien, and setting forth the amount of the highest  
31 offer made by the unit owner 90 days or more before the commencement of  
32 trial, and the amount of damages recovered, as well as the factual basis and  
33 amount of any such attorneys' fees to be awarded.

34 (3) A unit owner may not be required to pay attorneys' fees and court costs until  
35 the unit owner is notified in writing of the association's intent to seek payment  
36 of attorneys' fees, costs, and expenses. The notice must be sent by first-class  
37 mail to the physical address of the unit and the unit owner's address of record  
38 with the association and, if different, to the address for the unit owner shown  
39 on the county tax records for the unit. The association must make reasonable  
40 and diligent efforts to ensure that its records contain the unit owner's current  
41 mailing address. Notwithstanding anything to the contrary in this Chapter,  
42 there shall be no requirement that notice under this subsection be mailed to an  
43 address which is known to be a vacant unit or a unit for which there is no  
44 United States postal address. The notice shall set out the outstanding balance  
45 due as of the date of the notice and state that the unit owner has 15 days from  
46 the mailing of the notice by first-class mail to pay the outstanding balance  
47 without the attorneys' fees and court costs. If the unit owner pays the  
48 outstanding balance within this period, then the unit owner shall have no  
49 obligation to pay attorneys' fees, costs, or expenses. The notice shall also  
50 inform the unit owner of the opportunity to contact a representative of the  
51 association to discuss a payment schedule for the outstanding balance as

1 provided in subsection (i) of this section and shall provide the name and  
2 telephone number of the representative.

3 (f) Except as provided in subsection (h) of this section, the association, acting through  
4 the executive board, may foreclose a claim of lien securing a debt consisting of sums due the  
5 association other than fines or fine-related charges in like manner as a mortgage or deed of trust  
6 on real estate under power of sale, as provided in Article 2A of Chapter 45 of the General Statutes,  
7 if the ~~assessment remains unpaid~~ delinquency has continued for 90–180 days or more. The  
8 association shall not foreclose the claim of lien unless the executive board votes to commence  
9 the proceeding against the specific unit. The following provisions and procedures shall be  
10 applicable to and complied with in every nonjudicial power of sale foreclosure of a claim of lien,  
11 and these provisions and procedures shall control to the extent they are inconsistent or in conflict  
12 with the provisions of Article 2A of Chapter 45 of the General Statutes:

13 ...

14 (5) After the association has filed a claim of lien and prior to the commencement  
15 of a nonjudicial foreclosure, the association shall give to the unit owner notice  
16 of the association's intention to commence a nonjudicial foreclosure to enforce  
17 its claim of lien. The notice shall contain the information required in  
18 G.S. 45-21.16(e)(5a), G.S. 45-21.16(c)(5) and G.S. 45-21.16(c)(5a) and shall  
19 specifically reference the unit owner's right of redemption provided under  
20 subdivision (8) of this subsection. The notice shall be sent by first-class mail  
21 to the physical address of the unit and the unit owner's address of record with  
22 the association and, if different, to the address for the unit owner shown on  
23 the county tax records for the unit.

24 (5a) The notice of hearing required pursuant to G.S. 45-21.16(a) shall be  
25 accompanied by the association's certification of the actions it has taken to  
26 give the owner notice of delinquent assessments in compliance with  
27 subsection (b) of this section.

28 (5b) At the commencement of the hearing, the clerk shall inquire as to whether the  
29 owner occupies the unit as his or her principal residence. If it appears that the  
30 owner does currently occupy the unit as a principal residence, the clerk shall  
31 further inquire as to the efforts the association has made to communicate with  
32 the owner and to attempt to resolve the matter voluntarily before the  
33 foreclosure proceeding. The clerk's inquiry shall not be required if the  
34 association has submitted, at or before the hearing, an affidavit briefly  
35 describing any efforts that have been made to resolve the default with the  
36 owner and the results of any such efforts.

37 (5c) The clerk shall order the hearing continued if the clerk finds that there is good  
38 cause to believe that additional time or additional measures have a reasonable  
39 likelihood of resolving the delinquency without foreclosure. In determining  
40 whether to continue the hearing, the clerk may consider (i) whether the  
41 association has offered the debtor an opportunity to resolve the foreclosure  
42 under a payment schedule pursuant to subsection (i) of this section, (ii)  
43 whether the association has engaged in actual responsive communication with  
44 the owner, including telephone conferences or in-person meetings with the  
45 owner or other actual two-party communications, (iii) whether the owner has  
46 indicated that he or she has the intent and ability to resolve the delinquency  
47 by making future payments under a payment plan, and (iv) whether the  
48 initiation or continuance of good-faith voluntary resolution efforts  
49 between the parties may resolve the matter without a foreclosure sale. Where  
50 good cause exists to continue the hearing, the clerk shall order the hearing  
51 continued to a date and time certain not more than 90 days from the date

1 scheduled for the original hearing. Nothing in this part shall limit the authority  
2 of the clerk to continue a hearing for other good cause shown.

3 ....

4 (g) The provisions of subsection (f) of this section do not prohibit or prevent an  
5 association from pursuing judicial foreclosure of a claim of ~~lien~~, lien securing a debt consisting  
6 of sums due the association other than fines and fine-related charges, from taking other actions  
7 to recover the sums due the association, or from accepting a deed in lieu of foreclosure. Any  
8 judgment, decree, or order in any judicial foreclosure or civil action relating to the collection of  
9 assessments shall include an award of costs and reasonable attorneys' fees for the prevailing  
10 party, which shall not be subject to the limitation provided in subdivision (f)(12) of this section.

11 (h) A claim of lien securing a debt consisting ~~solely of fines imposed by the association,~~  
12 ~~interest on unpaid fines, or attorneys' fees incurred by the association solely associated with fines~~  
13 ~~imposed by the association or fine-related charges~~ may only be enforced by judicial foreclosure,  
14 as provided in Article 29A of Chapter 1 of the General Statutes. ~~the filing of a civil action seeking~~  
15 a judgment. In addition, an association shall not levy, charge, or attempt to collect a service,  
16 collection, consulting, or administration fee from any unit owner unless the fee is expressly  
17 allowed in the declaration, and any claim of lien securing a debt consisting solely of these fees  
18 may only be enforced by judicial foreclosure, as provided in Article 29A of Chapter 1 of the  
19 General Statutes. ~~the filing of a civil action seeking a judgment.~~ Liens arising as a result of the  
20 entry of a judgment in favor of the association in any such civil action shall relate back and be  
21 effective as of the date the claim of lien was filed.

22 ...."

23 **SECTION 4.** G.S. 47C-3-118 reads as rewritten:

24 **"§ 47C-3-118. Association records.**

25 ...

26 (a1) A unit owner or the unit owner's authorized agent is entitled to inspect and copy, at a  
27 reasonable time and location specified by the association, any contract entered into by the  
28 association authorizing a managing agent to exercise any of the powers granted to the association  
29 pursuant to G.S. 47C-3-102, if the unit owner gives the association written notice of the demand  
30 at least five business days before the date on which the unit owner wishes to inspect and copy  
31 and the request satisfies the conditions for inspection set forth in G.S. 55A-16-02(c). A demand  
32 to inspect made pursuant to this subsection shall be presumed to have been made in good faith  
33 and for a proper purpose. In any action to compel the inspection and copying of documents, the  
34 court may award reasonable attorneys' fees to the prevailing party. If the association does not  
35 allow a unit owner who complies with this subsection to inspect and copy the requested contract,  
36 and if a court of competent jurisdiction thereafter enters an order compelling the association to  
37 do so, the court shall also order the association to pay the unit owner's costs, including reasonable  
38 attorneys' fees, incurred to obtain the order.

39 ...."

40 **SECTION 5.** G.S. 47F-3-102 reads as rewritten:

41 **"§ 47F-3-102. Powers of owners' association.**

42 Unless the articles of incorporation or the declaration expressly provides to the contrary, the  
43 association may do all of the following:

44 ...

45 (3) Hire and discharge managing agents and other employees, agents, and  
46 independent contractors. A contract between an association and a managing  
47 agent shall not have a term exceeding one year and shall not contain an  
48 automatic renewal provision that requires the association to give notice of non  
49 renewal more than 30 days prior to the contract's anniversary date. Any  
50 contract with a managing agent that is automatically renewed shall be  
51 terminable by the association for any reason upon 60 days' notice. A managing

1 agent shall not be compensated in whole or in part based on the amount of  
2 finest collected by the managing agent on behalf of the association and shall  
3 not collect from the association or a lot owner any fee in connection with its  
4 collection of a fine imposed by the association.

5 ...

6 (6) Regulate the use, maintenance, repair, replacement, and modification of  
7 common elements-elements; provided, however, that in the absence of an  
8 express authorization in the declaration, an association shall not enforce any  
9 restriction on parking of a personal vehicle on a public street or public road  
10 for which the North Carolina Department of Transportation or local  
11 government has assumed responsibility for maintenance and repairs, unless  
12 the authority to regulate such parking has been expressly delegated to the  
13 association by the Department of Transportation or local government under  
14 terms prescribing the manner in which the association may exercise that  
15 authority. Any such delegation shall be valid for a period not to exceed five  
16 years, at which time the association must reapply to the delegating entity. As  
17 used in this subdivision, "personal vehicle" means an automobile with a gross  
18 weight of less than 26,001 pounds that is used for personal pleasure, travel, or  
19 commuting to and from a place of work, and does not include a motor home  
20 or self-propelled recreational vehicle, or an automobile that is otherwise used  
21 primarily in connection with any commercial endeavor or business.

22 ...

23 (12) After notice and an opportunity to be heard, impose reasonable fines or  
24 suspend privileges or services provided by the association (except rights of  
25 access to lots) for reasonable periods for violations of the declaration, bylaws,  
26 and rules and regulations of the association. No fine shall be levied for  
27 violation of a provision restricting or prohibiting tutoring, educational lessons,  
28 academic lessons, music lessons, or swimming lessons provided on the  
29 owner's lot to a group of no more than five people at any one time, regardless  
30 of whether compensation is received for such lessons.

31 ...

32 (13a) Impose reasonable charges in connection with the preparation of a lender's  
33 questionnaire or certification or statements-a statement of unpaid assessments,  
34 which must be furnished within 10 business-days after receipt of the request,  
35 in an amount not to exceed two hundred dollars (\$200.00) per statement or  
36 request, item requested, and an additional expedite-expedited fee in an amount  
37 not to exceed one hundred dollars (\$100.00) if the item is requested to be  
38 furnished less than 10 days after request is made within 48 hours of closing,  
39 all of which receipt of the request. These charges may be collected by the  
40 association, its managers, or its agents. Any charge for preparation of a  
41 lender's questionnaire or certification shall be paid by the requesting party.  
42 Neither the association nor its managing agent shall impose any charge upon  
43 a lot owner or a prospective purchaser of a lot in connection with the  
44 conveyance of a lot unless the charge is authorized in this subdivision.  
45 Violation of this subdivision by an association or by its managing agent shall  
46 constitute an unfair and deceptive trade practice under G.S. 75-1.1.

47 ...

48 (15a) Exercise any authority granted to it under the declaration to approve or  
49 disapprove any proposed changes on a lot or limited common element. In  
50 exercising such authority the association shall provide a fair, reasonable, and  
51 expeditious procedure for making its decision, which procedure shall be set

1            forth in the association's governing documents. The procedures shall state the  
2            maximum time for issuance of any decision on a proposal or a request for  
3            reconsideration. At a minimum, a decision shall be made within 90 days after  
4            the initial submission of the proposal or submission of any additional  
5            information or changes to the proposal requested by the association in  
6            response to the initial submission. A decision shall be in writing, shall be made  
7            in good faith, and may not be unreasonable, arbitrary, or capricious. If the  
8            proposal is disapproved, the decision shall include both an explanation of why  
9            the proposal is disapproved and a description of the procedure for  
10           reconsideration of the decision by the executive board.

11           ...."

12           **SECTION 6.** G.S. 47F-3-107.1 reads as rewritten:

13           **"§ 47F-3-107.1. Procedures for fines and suspension of planned community privileges or**  
14           **services.**

15           Unless a specific procedure for the imposition of fines or suspension of planned community  
16           privileges or services is provided for in the declaration, a hearing shall be held before the  
17           executive board or an adjudicatory panel appointed by the executive board to determine if any  
18           lot owner should be fined or if planned community privileges or services should be suspended  
19           pursuant to the powers granted to the association in G.S. 47F-3-102(11) and (12). Any  
20           adjudicatory panel appointed by the executive board shall be composed of members of the  
21           association who are not officers of the association or members of the executive board. The lot  
22           owner charged shall be given notice of the charge, opportunity to be heard and to present  
23           evidence, and notice of the decision. A written notice of hearing shall be sent to the unit owner  
24           as provided in G.S. 47F-3-116(e) not less than 10 days prior to the scheduled hearing date. The  
25           notice of hearing shall specify the date, time, and place of the hearing and shall include a general  
26           description of each alleged violation and the action, if any, to cure each alleged violation. The  
27           unit owner shall be given an opportunity to be heard and to present evidence at the hearing. A  
28           written notice of the decision specifying each violation verified by the evidence and the action,  
29           if any, to cure each verified violation shall be sent to the unit owner as provided in  
30           G.S. 47F-3-116(e). If it is decided that a fine should be imposed, a fine not to exceed one hundred  
31           dollars (\$100.00) may be imposed for the violation and without further hearing, for each day  
32           more than five days after the decision that the violation ~~occurs~~ occurs, up to a maximum fine of  
33           two thousand five hundred dollars (\$2,500). Such fines shall be assessments secured by liens  
34           under G.S. 47F-3-116. If it is decided that a suspension of planned community privileges or  
35           services should be imposed, the suspension may be continued without further hearing until the  
36           violation or delinquency is cured. The lot owner may appeal the decision of an adjudicatory panel  
37           to the full executive board by delivering written notice of appeal to the executive board within  
38           15 days after the date of the decision. The executive board may affirm, vacate, or modify the  
39           prior decision of the adjudicatory body. All fines collected pursuant to this section shall be  
40           remitted to the Civil Penalty and Forfeiture Fund."

41           **SECTION 7.** G.S. 47F-3-116 reads as rewritten:

42           **"§ 47F-3-116. Lien for sums due the association; enforcement.**

43           (a) Any assessment attributable to a lot which remains unpaid for a period of 30 days or  
44           longer shall constitute a lien on that lot when a claim of lien is filed of record in the office of the  
45           clerk of superior court of the county in which the lot is located in the manner provided in this  
46           section. A claim of lien securing a debt consisting of fines or fine-related charges shall be filed  
47           separately from a claim of lien securing other sums due the association and shall be filed within  
48           90 days after the date the fine was imposed. As used in this section, "fines or fine-related charges"  
49           means fines imposed by the association, interest on unpaid fines, or attorneys' fees incurred by  
50           the association related to fines imposed by the association. Once filed, a claim of lien secures all  
51           sums due the association through the date filed and any sums due to the association thereafter.

1 Unless the declaration provides otherwise, fees, charges, late charges, and other charges imposed  
2 pursuant to G.S. 47F-3-102, 47F-3-107, 47F-3-107.1, and 47F-3-115 are subject to the ~~claim~~  
3 claims of lien provided for under this section as well as any other sums due and payable to the  
4 association under the declaration, the provisions of this Chapter, or as the result of an arbitration,  
5 mediation, or judicial decision.

6 (b) The association must provide proper notice of delinquent assessments to the lot owner  
7 before filing a claim of lien. The association must make reasonable and diligent efforts to ensure  
8 that its records contain the lot owner's current physical mailing address—address and current  
9 electronic mailing address. No fewer than 15 days prior to filing the lien, the association shall  
10 ~~mail~~ do all of the following:

11 (1) Mail a statement of the assessment amount due by first-class mail to the  
12 physical address of the lot and the lot owner's address of record with the  
13 association and, if different, to the address for the lot owner shown on the  
14 county tax records for the lot. If the lot owner is a corporation or limited  
15 liability company, the statement shall also be sent by first-class mail to the  
16 mailing address of the registered agent for the corporation or limited liability  
17 company. Notwithstanding anything to the contrary in this Chapter, the  
18 association is not required to mail a statement to an address known to be a  
19 vacant lot on which no dwelling has been constructed or to a lot for which  
20 there is no United States postal address.

21 (2) Send a statement of the assessment amount due via electronic mail if the  
22 owner has designated an email address as provided in G.S. 55A-1-70(b).

23 (c) A claim of lien shall set forth the name and address of the association, the name of  
24 the record owner of the lot at the time the claim of lien is filed, a description of the lot, and the  
25 amount of the lien claimed. A claim of lien may also appoint a trustee to conduct a foreclosure,  
26 as provided in subsection (f) of this section. The first page of the claim of lien shall contain the  
27 following statement in print that is in boldface, capital letters, and no smaller than the largest  
28 print used elsewhere in the document:

29 "THIS DOCUMENT CONSTITUTES A LIEN AGAINST YOUR PROPERTY, AND IF THE  
30 LIEN IS NOT PAID, THE HOMEOWNERS ASSOCIATION MAY PROCEED WITH  
31 ~~FORECLOSURE ENFORCEMENT AGAINST YOU AND YOUR PROPERTY IN LIKE~~  
32 ~~MANNER AS A MORTGAGE AS PERMITTED UNDER NORTH CAROLINA LAW."~~

33 The person signing the claim of lien on behalf of the association shall attach to and file with  
34 the claim of lien a certificate of service attesting to the attempt of service on the record owner,  
35 which service shall be attempted in accordance with G.S. 1A-1, Rule 4(j), for service of a copy  
36 of a summons and a complaint. If the actual service is not achieved, the person signing the claim  
37 of lien on behalf of the association shall be deemed to have met the requirements of this  
38 subsection if service has been attempted pursuant to both of the following: (i) G.S. 1A-1, Rule  
39 4(j)(1)c, d, or e and (ii) by mailing a copy of the lien by regular, first-class mail, postage prepaid  
40 to the physical address of the lot and the lot owner's address of record with the association, and,  
41 if different, to the address for the lot owner shown on the county tax records and the county real  
42 property records for the lot. The association shall also send the owner a copy of the claim of lien  
43 and certificate of service by email if the owner has designated an email address as provided in  
44 G.S. 55A-1-70(b). In the event that the owner of record is not a natural person, and actual service  
45 is not achieved, the person signing the claim of lien on behalf of the association shall be deemed  
46 to have met the requirements of this subsection if service has been attempted once pursuant to  
47 the applicable provisions of G.S. 1A-1, Rule 4(j)(3) through G.S. 1A-1, Rule 4(j)(9).  
48 Notwithstanding anything to the contrary in this Chapter, the association is not required to mail  
49 a claim of lien to an address which is known to be a vacant lot on which no dwelling has been  
50 constructed or to a lot for which there is no United States postal address. A lien for unpaid  
51 assessments is extinguished unless proceedings to enforce the lien are instituted within three

1 years after the filing of the claim of lien in the office of the clerk of superior court. A lien securing  
2 a debt consisting of fines or fine-related charges is extinguished unless proceedings to enforce  
3 the lien are instituted within one year after the filing of the claim of lien in the office of the clerk  
4 of superior court.

5 (d) A claim of lien filed under this section is prior to all liens and encumbrances on a lot  
6 except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed  
7 of trust on the lot, recorded before the filing of the claim of lien in the office of the clerk of  
8 superior court and (ii) liens for real estate taxes and other governmental assessments and charges  
9 against the lot. This subsection does not affect the priority of mechanics' or materialmen's liens.

10 (e) Attorneys' fees. –

11 (1) The association shall be entitled to recover the reasonable attorneys' fees and  
12 costs it incurs in connection with the collection of any sums ~~due~~. except  
13 as otherwise provided in subdivision (2) of this subsection.

14 (2) In an action to enforce a claim of lien securing a debt consisting of fines or  
15 fine-related charges, upon findings by the court (i) that there was an  
16 unwarranted refusal by the lot owner to negotiate or pay the fines or  
17 fine-related charges and (ii) that the amount of damages recovered exceeded  
18 the highest offer made by the lot owner no later than 90 days before the  
19 commencement of trial, the presiding judge may, in the judge's discretion,  
20 allow reasonable attorneys' fees to the duly licensed attorneys representing the  
21 association obtaining a judgment for damages in said suit, in an amount not to  
22 exceed ten thousand dollars (\$10,000) or fifteen percent (15%) of the amount  
23 recovered, whichever is greater, said attorneys' fees to be taxed as a part of the  
24 court costs. When the presiding judge determines that an award of attorneys'  
25 fees is to be made under this subsection in an action to enforce a claim of lien  
26 securing a debt consisting of fines or fine-related charges, the judge shall issue  
27 a written order including findings of fact detailing the factual basis for the  
28 finding of an unwarranted refusal to negotiate or pay the debt secured by the  
29 claim of lien, and setting forth the amount of the highest offer made by the lot  
30 owner 90 days or more before the commencement of trial, and the amount of  
31 damages recovered, as well as the factual basis and amount of any such  
32 attorneys' fees to be awarded.

33 (3) A lot owner may not be required to pay attorneys' fees and court costs until  
34 the lot owner is notified in writing of the association's intent to seek payment  
35 of attorneys' fees, costs, and expenses. The notice must be sent by first-class  
36 mail to the physical address of the lot and the lot owner's address of record  
37 with the association and, if different, to the address for the lot owner shown  
38 on the county tax records for the lot. The association must make reasonable  
39 and diligent efforts to ensure that its records contain the lot owner's current  
40 mailing address. Notwithstanding anything to the contrary in this Chapter,  
41 there shall be no requirement that notice under this subsection be mailed to an  
42 address which is known to be a vacant lot on which no dwelling has been  
43 constructed or a lot for which there is no United States postal address. The  
44 notice shall set out the outstanding balance due as of the date of the notice and  
45 state that the lot owner has 15 days from the mailing of the notice by first-class  
46 mail to pay the outstanding balance without the attorneys' fees and court costs.  
47 If the lot owner pays the outstanding balance within this period, then the lot  
48 owner shall have no obligation to pay attorneys' fees, costs, or expenses. The  
49 notice shall also inform the lot owner of the opportunity to contact a  
50 representative of the association to discuss a payment schedule for the

1 outstanding balance, as provided in subsection (i) of this section, and shall  
2 provide the name and telephone number of the representative.

3 (f) Except as provided in subsection (h) of this section, the association, acting through  
4 the executive board, may foreclose a claim of lien securing a debt consisting of sums due the  
5 association other than fines or fine-related charges in like manner as a mortgage or deed of trust  
6 on real estate under power of sale, as provided in Article 2A of Chapter 45 of the General Statutes,  
7 if the ~~assessment remains unpaid~~ delinquency has continued for ~~90-180~~ days or more. The  
8 association shall not foreclose the claim of lien unless the executive board votes to commence  
9 the proceeding against the specific lot.

10 The following provisions and procedures shall be applicable to and complied with in every  
11 nonjudicial power of sale foreclosure of a claim of lien, and these provisions and procedures shall  
12 control to the extent they are inconsistent or in conflict with the provisions of Article 2A of  
13 Chapter 45 of the General Statutes:

14 ...

15 (5) After the association has filed a claim of lien and prior to the commencement  
16 of a nonjudicial foreclosure, the association shall give to the lot owner notice  
17 of the association's intention to commence a nonjudicial foreclosure to enforce  
18 its claim of lien. The notice shall contain the information required in  
19 ~~G.S. 45-21.16(e)(5a)~~ G.S. 45-21.16(c)(5) and G.S. 45-21.16(c)(5a) and shall  
20 specifically reference the lot owner's right of redemption provided under  
21 subdivision (8) of this subsection. The notice shall be sent by first class mail  
22 to the physical address of the lot and the lot owner's address of record with the  
23 association and, if different, to the address for the lot owner shown on the  
24 county tax records for the lot.

25 (5a) The notice of hearing required pursuant to G.S. 45-21.16(a) shall be  
26 accompanied by the association's certification of the actions it has taken to  
27 give the owner notice of delinquent assessments in compliance with  
28 subsection (b) of this section.

29 (5b) At the commencement of the hearing, the clerk shall inquire as to whether the  
30 owner occupies the lot as his or her principal residence. If it appears that the  
31 owner does currently occupy the lot as a principal residence, the clerk shall  
32 further inquire as to the efforts the association has made to communicate with  
33 the owner and to attempt to resolve the matter voluntarily before the  
34 foreclosure proceeding. The clerk's inquiry shall not be required if the  
35 association has submitted, at or before the hearing, an affidavit briefly  
36 describing any efforts that have been made to resolve the default with the  
37 owner and the results of any such efforts.

38 (5c) The clerk shall order the hearing continued if the clerk finds that there is good  
39 cause to believe that additional time or additional measures have a reasonable  
40 likelihood of resolving the delinquency without foreclosure. In determining  
41 whether to continue the hearing, the clerk may consider (i) whether the  
42 association has offered the owner an opportunity to resolve the foreclosure  
43 under a payment schedule pursuant to subsection (i) of this section, (ii)  
44 whether the association has engaged in actual responsive communication with  
45 the owner, including telephone conferences or in-person meetings with the  
46 owner or other actual two-party communications, (iii) whether the owner has  
47 indicated that he or she has the intent and ability to resolve the delinquency  
48 by making future payments under a payment plan, and (iv) whether the  
49 initiation or continuance of good- faith voluntary resolution efforts between  
50 the parties may resolve the matter without a foreclosure sale. Where good  
51 cause exists to continue the hearing, the clerk shall order the hearing continued

1 to a date and time certain not more than 90 days from the date scheduled for  
 2 the original hearing. Nothing in this part shall limit the authority of the clerk  
 3 to continue a hearing for other good cause shown.

4 ....

5 (g) The provisions of subsection (f) of this section do not prohibit or prevent an  
 6 association from pursuing judicial foreclosure of a claim of ~~lien, lien securing a debt consisting~~  
 7 of sums due the association other than fines and fine-related charges, from taking other actions  
 8 to recover the sums due the association, or from accepting a deed in lieu of foreclosure. Any  
 9 judgment, decree, or order in any judicial foreclosure or civil action relating to the collection of  
 10 assessments shall include an award of costs and reasonable attorneys' fees for the prevailing  
 11 party, which shall not be subject to the limitation provided in subdivision (f)(12) of this section.

12 (h) A claim of lien securing a debt consisting ~~solely of fines imposed by the association,~~  
 13 ~~interest on unpaid fines, or attorneys' fees incurred by the association solely associated with fines~~  
 14 ~~imposed by the association or fine-related charges~~ may only be enforced by judicial foreclosure,  
 15 as provided in Article 29A of Chapter 1 of the General Statutes. ~~the filing of a civil action seeking~~  
 16 a judgment. In addition, an association shall not levy, charge, or attempt to collect a service,  
 17 collection, consulting, or administration fee from any lot owner unless the fee is expressly  
 18 allowed in the declaration, and any claim of lien securing a debt consisting solely of these fees  
 19 may only be enforced by judicial foreclosure, as provided in Article 29A of Chapter 1 of the  
 20 General Statutes. ~~the filing of a civil action seeking a judgment.~~ Liens arising as a result of the  
 21 entry of a judgment in favor of the association in any such civil action shall relate back and be  
 22 effective as of the date the claim of lien was filed.

23 ...."

24 **SECTION 8.** G.S. 47F-3-118 reads as rewritten:

25 **"§ 47F-3-118. Association records.**

26 ...

27 (a1) A lot owner or the lot owner's authorized agent is entitled to inspect and copy, at a  
 28 reasonable time and location specified by the association, any contract entered into by the  
 29 association authorizing a managing agent to exercise any of the powers granted to the association  
 30 pursuant to G.S. 47F-3-102, if the lot owner gives the association written notice of the demand  
 31 at least five business days before the date on which the lot owner wishes to inspect and copy and  
 32 the request satisfies the conditions for inspection set forth in G.S. 55A-16-02(c). A demand to  
 33 inspect made pursuant to this subsection shall be presumed to have been made in good faith and  
 34 for a proper purpose. In any action to compel the inspection and copying of documents, the court  
 35 may award reasonable attorneys' fees to the prevailing party. If the association does not allow a  
 36 lot owner who complies with this subsection to inspect and copy the requested contract, and if a  
 37 court of competent jurisdiction thereafter enters an order compelling the association to do so, the  
 38 court shall also order the association to pay the lot owner's costs, including reasonable attorneys'  
 39 fees, incurred to obtain the order.

40 ...."

41 **SECTION 9.** Article 31A of Chapter 115C of the General Statutes reads as rewritten:

42 "Article 31A.

43 "Civil Penalty and Forfeiture Fund.

44 **"§ 115C-457.1. Creation of Fund; administration.**

45 (a) There is created the Civil Penalty and Forfeiture Fund. The Fund shall consist of the  
 46 clear proceeds of all civil penalties, civil forfeitures, and civil fines that are collected by a State  
 47 agency and that the General Assembly is authorized to place in a State fund pursuant to Article  
 48 IX, Section 7(b) of the Constitution. The General Assembly may also authorize the placement of  
 49 additional funds from other sources into the Fund.

1 (b) The Fund shall be administered by the Office of State Budget and Management. The  
2 Fund and all interest accruing to the Fund shall be faithfully used exclusively for maintaining  
3 free public schools.

4 **"§ 115C-457.2. Remittance of moneys to the Fund.**

5 (a) The clear proceeds of all civil penalties, civil forfeitures, and civil fines that are  
6 collected by a State agency and that the General Assembly is authorized to place in a State fund  
7 pursuant to Article IX, Section 7(b) of the Constitution shall be remitted to the Office of State  
8 Budget and Management by the officer having custody of the funds within 10 days after the close  
9 of the calendar month in which the revenues were received or collected. Notwithstanding any  
10 other law, all such funds shall be deposited in the Civil Penalty and Forfeiture Fund. The clear  
11 proceeds of these funds include the full amount of all civil penalties, civil forfeitures, and civil  
12 fines collected under authority conferred by the State, diminished only by the actual costs of  
13 collection, not to exceed twenty percent (20%) of the amount collected. The collection cost  
14 percentage to be used by a State agency shall be established and approved by the Office of State  
15 Budget and Management on an annual basis based upon the computation of actual collection  
16 costs by each agency for the prior fiscal year.

17 (b) Any additional funds that the General Assembly authorizes to be placed in the Civil  
18 Penalty and Forfeiture Fund shall be remitted to the Office of State Budget and Management by  
19 the entity having custody of the funds within 10 days after the close of the calendar month in  
20 which the funds were received or collected.

21 ...."

22 **SECTION 10.** G.S. 161-14 reads as rewritten:

23 **"§ 161-14. Registration of instruments.**

24 ...

25 (b) All instruments, except instruments conforming to the provisions of ~~G.S. 25-9-521,~~  
26 G.S. 25-9-521 and any certified copy of a court-filed document, presented for registration on  
27 paper shall meet all of the following requirements:

- 28 (1) Be eight and one-half inches by eleven inches or eight and one-half inches by  
29 fourteen inches.
- 30 (2) Have a blank margin of three inches at the top of the first page and blank  
31 margins of at least one-half inches on the remaining sides of the first page and  
32 on all sides of subsequent pages.
- 33 (3) Be typed or printed in black on white paper in a legible font. A font size no  
34 smaller than 9 points shall be considered legible. Blanks in an instrument may  
35 be completed in pen and corrections to an instrument may be made in pen.
- 36 (4) Have text typed or printed on one side of a page only.
- 37 (5) State the type of instrument at the top of the first page.

38 If an instrument does not meet these requirements, the register of deeds shall register the  
39 instrument after collecting the fee for nonstandard documents as required by G.S. 161-10(a)(18a)  
40 in addition to all other applicable recording fees. However, if an instrument fails to meet the  
41 requirements because it contains print in a font size smaller than 9 points, the register of deeds  
42 may register the instrument without collecting the fee for nonstandard documents if, in the  
43 discretion of the register of deeds, the instrument is legible.

44 ...."

45 **SECTION 11.(a)** G.S. 45-21.4 reads as rewritten:

46 **"§ 45-21.4. Place of sale of real property.**

47 (a) Every sale of real property shall be held in the county where the property is situated  
48 unless the property consists of a single tract situated in two or more counties.

49 (b) A sale of a single tract of real property situated in two or more counties may be held  
50 in any one of the counties in which any part of the tract is situated. As used in this section, a  
51 "single tract" means any tract which has a continuous boundary, regardless of whether parts

1 thereof may have been acquired at different times or from different persons, or whether it may  
2 have been subdivided into other units or lots, or whether it is sold as a whole or in parts.

3 (c) When a mortgage or deed of trust with power of sale of real property designates the  
4 place of sale within the county, the sale shall be held at the place so designated.

5 (d) When a mortgage or deed of trust with power of sale of real property confers upon  
6 the mortgagee or trustee the right to designate the place of sale, the sale shall be held at the place  
7 designated by the notice of sale, which place shall be either on the premises to be sold or as  
8 follows:

9 (1) Property situated wholly within a single county shall be sold at the courthouse  
10 door of the county in which the land is ~~situated~~situated or at another public  
11 location within the county where the land is situated as designated by the  
12 mortgagee or trustee.

13 (2) A single tract of property situated in two or more counties may be sold at the  
14 courthouse door of any one of the counties in which some part of the real  
15 property is ~~situated~~situated or at another public location within any one of the  
16 counties in which some part of the real property is situated as designated by  
17 the mortgagee or trustee.

18 (e) When a mortgage or deed of trust with power of sale of real property does not  
19 designate, or confer upon the mortgagee or trustee the right to designate, the place of sale, or  
20 when it designates as the place of sale some county in which no part of the property is situated,  
21 such real property shall be sold as follows:

22 (1) Property situated wholly within a single county shall be sold at the courthouse  
23 door of the county in which the land is ~~situated~~situated or at another public  
24 location within the county where the land is situated as designated by the clerk  
25 of the superior court of the county where the land is situated.

26 (2) A single tract of property situated in two or more counties may be sold at the  
27 courthouse door of any one of the counties in which some part of the real  
28 property is ~~situated~~situated or another public location within one of the  
29 counties in which some part of the real property is situated as designated by  
30 the clerk of the superior court of one of the counties in which some part of the  
31 real property is situated."

32 SECTION 11.(b) G.S. 45-21.23 reads as rewritten:

33 "**§ 45-21.23. Time of sale.**

34 A sale shall begin at the time designated in the notice of sale or as soon thereafter as  
35 practicable, but not later than ~~one hour~~three hours after the time fixed therefor unless it is delayed  
36 by other sales held at the same place. The sale shall be held between the hours of 10:00 A.M. and  
37 4:00 P.M. on any day when the clerk's office is normally open for transactions."

38 SECTION 11.(c) Part 2 of Article 2A of Chapter 45 of the General Statutes is  
39 amended by adding a new section to read:

40 "**§ 45-21.25A. Bids placed remotely.**

41 (a) The person exercising the power of sale of real property, or that person's agent, may  
42 accept remote bids from bidders not physically present at the place of sale, as designated pursuant  
43 to G.S. 45-21.4. All bids accepted at the sale must be clearly announced to all participating  
44 bidders, whether physically present or not.

45 (b) Prior to accepting a remote bid, the person exercising the power of sale of real  
46 property, or that person's agent, shall collect all funds required to be paid by the winning bidder  
47 in accordance with G.S. 45-21.10.

48 (c) Any charges incurred by the person exercising the power of sale of real property, or  
49 that person's agent, in connection with remote bidding authorized under this section shall not be  
50 chargeable to the mortgagor or otherwise recoverable as costs and expenses of the foreclosure."

1           **SECTION 12.** Sections 3, 7, and 10 of this act become effective December 1, 2023,  
2 and apply to claims of lien filed and instruments presented for registration on or after that date.  
3 Section 11 of this act becomes effective October 1, 2023, and applies to notices of foreclosure  
4 sale filed with the clerk of superior court on or after that date. The remainder of this act is  
5 effective when it becomes law, and the provisions in Sections 1 and 5 of this act relating to  
6 managing agent compensation apply to contracts between an association and a managing agent  
7 entered into on or after that date.